



EFT 99 Outreach Underway In Regional Education Blitz

Local training programs and “in-touch” education will be critical components of the EFT 99 public education campaign. For many recipients, the choices are complex and involve decisions about the value of entering the financial mainstream. Through small group workshops, seminars, and training programs, check recipients will receive the information they need to select the best EFT 99 option.

The public education campaign contractor, Henry J. Kaufman & Associates (HJK&A), has created a regional structure to bring the national public education campaign to the grassroots level. The contractor, along with the Department of the Treasury's Financial Management Service staff, will be actively engaged in this nationwide community outreach initiative through five regional operational bases across the country:

- Northeast/Mid-Atlantic, based in Philadelphia
- South, based in Birmingham
- Southwest, based in Austin
- West, based in San Francisco
- Midwest, based in Chicago.

HJK&A has retained a subcontractor for each region, selected in May, to focus on encouraging community and consumer organizations engaged in the EFT 99 program to create and carry out

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Sending the Right Message to Federal Payment Recipients

BY JOHN D. HAWKE, JR.
Treasury Under Secretary
for Domestic Finance

The 1996 Debt Collection Improvement Act was designed to bring about more efficient and cost-effective Government operations by encouraging Federal check recipients to convert to electronic payment. In implementing this law, which we refer to as “EFT 99,” we have identified not only a number of challenges we will face in getting important information to recipients, but also tremendous opportunities to contribute to the public’s understanding of the financial system.

We do want recipients to understand the requirements and intent of the new law, and it is critical to this effort that recipients not feel pressured to make choices that are not right for them. So in the coming months we will need to convey several emphatic messages:

- Recipients should be informed about and appreciate the safety, convenience, and other benefits of Direct Deposit;
- No one’s payment will be interrupted or withheld because of the transition;
- Finally, recipients should take the time to make a sound and educated choice about the most appropriate payment option for them.

We will also aim to alleviate recipients’ apprehensions about the program, inform them about the waivers that will be available, and further define the special low-cost accounts that will become available. Check recipients without accounts, for example, may benefit from a grassroots education program that explains how to obtain and maintain an account at a financial institution.

The grassroots education effort will involve identifying hundreds of local community organizations that can assist our efforts to reach those who receive—and may soon begin to receive—Federal payments. Regional managers for this effort have already been hired, and subcontractors to work at an even more local level will soon begin their work.

Fundamentally, our mutual goals will best be served by reaching recipients at the grassroots level with useful and fair information about their options. With that in mind, we will continue to work with interested organizations and develop effective materials and programs to ensure a smooth transition. We look forward to your continued support of this important effort!



Under Secretary Hawke’s congressional testimony of March 4 on EFT 99 can be found at the Treasury Web site: www.treas.gov/press/releases.

Financial Services Education Coalition Still at Work

A coalition of community-based, financial trade, consumer, and government organizations has been hard at work to develop a basic financial services training kit for local community educators to use in the field. This coalition was formed as a result of the Department of the Treasury's November 1997 Community Outreach Initiative meeting and is coordinated by Michael Rupured, USDA Cooperative State Research, Education, and Extension Service.

The material will be especially helpful to those unfamiliar with the banking system, and for those who want to make an educated choice about financial products and services. The kit will be field-tested this spring by a number of coalition participants, CBOs, and agricultural extension service programs.

Included will be an educators guide, describing how to set up meetings and carry out the training. The kit will also

have factsheets that will provide information on the banking system. Factsheets that will be available include:

- **Direct Deposit Saves Time and Money**
- **Choosing a Financial Institution**
- **Choosing a Deposit Account**
- **Managing Deposit Accounts**
- **Automated Teller Machines (ATMs)**
- **Debit Cards**
- **Frequently Asked Questions**

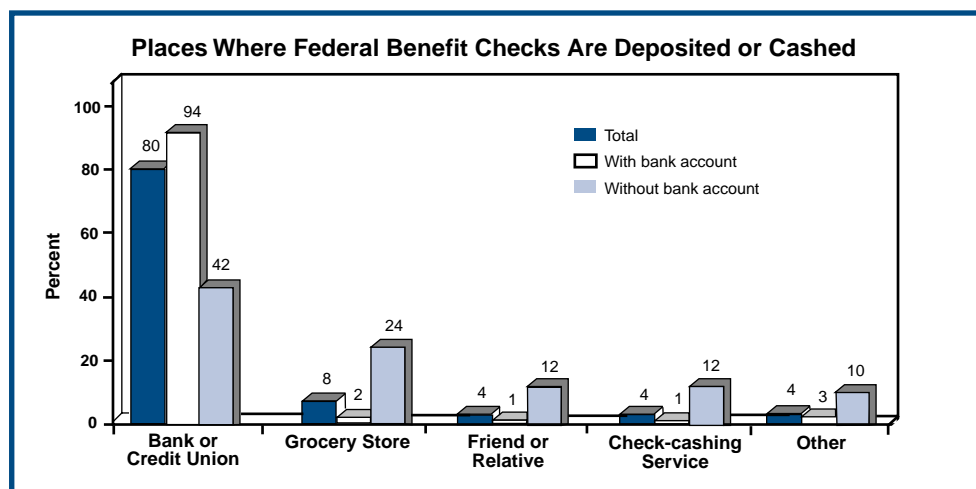
Distribution This Summer

Materials should be ready for distribution when Treasury/Financial Management Service holds regional community initiative meetings early this summer. The kit will be updated as new information about recipients' options becomes available.

Study Looks at Check Recipients' Banking Habits

The Financial Management Service's demographic study of Federal payment check recipients affected by EFT 99 was published in September 1997. The study, conducted in part through a mail survey supplemented by a telephone survey, provided useful insight into their characteristics as a population, as well as the reasons they have made certain financial choices.

The study found that mail survey respondents most often go to banks or credit unions to cash their checks (see chart), regardless of whether they have an account at a financial institution. Nearly all Federal check recipients (94 percent) with financial accounts use banks or credit unions most often to deposit or cash their checks. In contrast, less than half (42 percent) of unbanked Federal check recipients use banks or credit unions most often, although they still use banks or credit



unions more often than any other type of place. Besides banks or credit unions, unbanked respondents often use grocery stores (24 percent), check-cashing services or outlets (12 percent), and friends or relatives (12 percent). These responses were consistent with telephone survey results.

Study on the FMS Web Site

The places used to deposit or cash Federal checks also vary by demo-

graphics, though less dramatically. The use of banks or credit unions increases with income and, except for those 75 years or older, increases with age. At the same time, use of grocery stores, check-cashing outlets or services, and friends or relatives is highest among Federal check recipients under 55 years of age and those with an annual household income of less than \$10,000.

The complete text of the demographic study can be found on the FMS Web site at www.fms.treas.gov/eft.

Revised EFT 99 Consumer Pamphlets Now Available

What You Need to Know About Your Federal Government Payment, the first EFT pamphlet released in February, is still available. The pamphlet, revised in March, explains recipients' current EFT options and provides assurance that they will continue to receive their payments on time and without interruption, regardless of the payment choice they make.

A second revised brochure will be available once the final rule implementing EFT 99 is issued. You can view, download, or print the pamphlet from the FMS Web site at www.fms.treas.gov/eft. To order a supply, call (202) 874-6540 or cut out and mail this order form.

Order Form

Free Materials

Quantity: _____ (Limited to 1000 or less)

What You Need to Know About Your Federal Government Payment is available in minimum quantities of 100. To order copies of the pamphlet, please return this order form to: Financial Management Service, Attn: Product Promotion Division, 401 14th Street, SW, Room 318, Washington, DC 20227, or FAX the form to (202) 874-7321. Allow up to 2 weeks for delivery.

Organization: _____

Street Address: _____
(No P.O. Boxes) _____

Phone: _____ Contact Person: _____

Questions? Call (202) 874-6540



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in-touch programs. The regional subcontractors will support these localized education efforts as well as public relations and public service advertising outreach within the region and coordinate participation in "National Direct Deposit Sign-Up Day," a project planned for this fall.

The subcontractors are:

■ Northeast: ACORN Associates, Inc.;

■ South and Midwest: National Community Reinvestment Coalition with National Council of La Raza and National Coalition for the Homeless;

■ Southwest: Texas Legal Services Center with Texas Alliance for Human Needs, Advocacy Center, and Legal Services of Eastern Missouri;

■ West: Consumer Action with California/Nevada Community Action Association.

To facilitate the partnership process and introduce EFT 99 in the region, the subcontractor will work with Treasury and HJK&A to conduct two broad-based meetings in each region. The meetings (in July and September on dates to be determined) will introduce the EFT 99 program, provide answers to questions, and engage interested community and consumer organizations as partners in the outreach effort. The September meeting will focus on National Direct Deposit Sign-Up Day and spotlight local efforts.

CBOs Active in EFT 99 Dialogue

In February, Treasury Acting Fiscal Assistant Secretary Donald Hammond and other Treasury staff met with representatives of several national consumer, church, and community-based organizations (CBOs) to discuss the progress of EFT 99 implementation, particularly concerns about the EFT 99 process and opportunities for involvement in the public education campaign.

The dialogue has continued through the work of the Financial Services Education Coalition, recent public meetings to discuss electronic transfer account options, and other forums, and will take place nationally in the July outreach meetings.

For more information about the CBO outreach effort, contact Eleanor Kelly, Treasury Office of Public Education, at (202) 622-5529.



Whom to call

If you have questions about the proposed rule process, community initiatives, or any other issues relating to EFT 99, please feel free to contact the Financial Management Service and Treasury staff below:

PRESS/MEDIA

(Questions from Press/Media only)

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Treasury is gearing up to launch a series of print, television, and radio public service announcements designed to educate Federal Government payment recipients about EFT 99 and the benefits of Direct Deposit. The campaign will kick off this summer.

If you would like to be on the *EFT Exchange* mailing list, or to receive *EFT Exchange* by e-mail, call the FMS Product Promotion Division at (202) 874-6540.

Web Site Flourishes

www.fms.treas.gov/eft

The EFT 99 page of the Financial Management Service's Web site includes text and PDF versions of this newsletter and other published material about EFT 99. You can also find links to Direct Deposit pamphlets and updated charts comparing EFT vs. check payments.

As promised, comment letters submitted to the Department of the Treasury last fall from other agencies and organizations regarding the proposed rule can be read online or downloaded as text files. Look in coming months for the text of the financial education training kit being prepared for grassroots educators by the Financial Services Education Coalition, and for new publications updating you on the progress of EFT implementation. FMS is working to make its Web site work for you!

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